

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple - Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940

ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. General Information

1. Report Time Period: From (mo./yr.) 1/2006 To (mo./yr.) 12/2006
2. DOGM File Number (Mine No): M/47/007
3. Mine Name: Vernal Phosphate Operations
4. Mineral(s) Mined (or permitted to mine): Phosphate Rock
5. Type of mine: ☒ Surface Mine or ☐ Underground Mine
6. Legal Description (Location of Lands Affected):
1/4, 1/4, 1/4, Section 19, Township 2 S, Range 22 E
1/4, 1/4, 1/4, Section 18, Township 2 S, Range 22 E
1/4, 1/4, 1/4, Section 24, Township 2 S, Range 22 E
7. Name of Operator or Company: Simplot Phosphates LLC
8. Permanent Street Address: 9401 North Highway 191
City, State, Zip: Vernal, Utah 84078
Phone: (435) 789-7795 Fax: (435) 781-3332 E-mail: John.Spencer@Simplot.com
9. Company Representative (or designated operator):
Name: John Spencer
Title: Environmental / Sr. Mine Engineer
Business Address: 9401 North Highway 191
City, State, Zip: Vernal, Utah 84078
Phone: (435) 789-3348 Fax: (435) 781-3332 E-mail: John.Spencer@Simplot.com
☐ Please check if any of the above information has changed since previous year.

II. Mining and Reclamation

1. Was there any mine related activity during the past year? Yes ☒ No ☐.
2. If no - what was the last year of activity? _____

Reviewed
2/16/07
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DIV. OF OIL, GAS & MINING

3. Report the gross amount of ore mined and waste moved, as well as the arrangement, positioning, or distribution of the material. We removed 6,027,741 bcy or 13,562,417 tons of waste material to recover 3,842,959 tons of phosphate ore. Mining took place from Panels C & B. After the ore is mined we move the low cover waste material (0 to 35 ft above ore) from the next cut into the void left by the ore removal. This is done with a dozer fleet. Our truck-shovel operation removes the high cover waste material (greater than 35 ft above ore) placing it in previously mined areas.
4. Briefly describe the type of work performed, during the past year. Mining has been performed in the same manner here for years. The high cover (top 65 ft) is pre stripped with a truck shovel fleet and the dozers remove the bottom 35 – 40 ft of limestone material directly above the ore by pushing the material down dip into the previously mined out pit. All of this waste material is regraded, topsoiled and reseeded. Mining will continue up dip until we reach our mining boundary in approximately 7 years. Concurrent Reclamation is a standard practice.
5. How much **new or additional acreage** was disturbed during the past year? 50.1
6. How much acreage was **reclaimed** during the past year? 47.1
7. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results. (Submit form MR-SITE for an application for full or partial bond/site release).
Topsoil was stripped and either stockpiled for future use or directly replaced over regraded mined areas. In 2006, 47.1 acres were regraded, contoured, topsoiled and seeded. Of this total there was 2.5 acres disturbed and reclaimed in the same year. There was an additional 1.9 acres that were regraded, contoured and topsoiled, but bad weather hit before we could seed. The vegetation from last year's seeding appears to have struggled in a few spots and may require reseeded, but time will tell.
8. What is the **total disturbed acreage of entire project** at years end? 987.9 This value has been readjusted to remove 2.9 acres in discrepancies between reclamation maps. This based on our latest estimate from the most recent Reclamation Progress Map.
9. Briefly summarize any mining and/or reclamation plans for the upcoming year.
Mining will continue in Panels B & C for all of 2007. Concurrent reclamation practices also will continue in both areas. Weather permitting every spring and fall, the mined areas that are regraded and contoured as will be topsoiled and seeded.
10. The operator shall keep and maintain timely records relating to his performance under the Act, and shall make these records available to the Division upon request.

NOTE: Section III., "Additional Information" applies only to **large mining operations**.

III. Additional Information - R647-4-121.2

1. **Include an updated map depicting surface disturbance and reclamation performed during the year**, prepared in accordance with Rule R647-4-105.

IV. Signature Requirement

I hereby certify that the foregoing is true and correct.

Name (Typed or Print): Mark Krall

Title of Operator: General Manager

Signature of Operator: Mark A. Krall

Date: 1/26/07



SIMPLOT PHOSPHATES LLC
(435) 789-7795

9401 NORTH HWY. 191

VERNAL, UTAH 84078

January 26, 2007

Darron R. Haddock
Permit Supervisor
Minerals Reclamation Program
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RE: Annual Report for the Year 2006

Dear Mr. Haddock,

Please find enclosed the Annual Report for Simplot Phosphates' Vernal Operations for the year 2006 as required by Rules R647-3-116 and R645-4-121.

If you have any questions or concerns, please contact me at (435) 781-3348.

Sincerely,

A handwritten signature in blue ink that reads "John Spencer".

John Spencer
Environmental / Senior Mining Engineer
Simplot Phosphates LLC

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